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C O N F I D E N T I A L SECTION 1 OF 3 BUENOS AIRES 4298

E.O. 11652: GDS
TAGS: PINS, PINT, SHUM, AR
SUBJECT: ARGENTINE MOOD: THE AFTERMATH OF THE NEWSOM VISIT

SUMMARY: THE MOOD IN ARGENTINA--STARTING FROM AMBASSADOR AJA ESPIL'S WELL-PUBLICIZED MAY 19 DEMARCHE IN WASHINGTON AND FOLLOWING THROUGH THE MAY 24-25 NEWSOM VISIT TO BUENOS AIRES-- HAS BECOME PUBLICLY MORE DEFENSIVE. TWO THEMES PREDOMINATE: ARGENTINA MAY WANT BUT DOES NOT NEED THE US, EITHER FOR MILITARY OR FINANCIAL ASSISTANCE; AND ARGENTINA'S SELF-DEFENSE AGAINST LEFTIST SUBVERSION WILL BE VINDICATED AS THE WESTERN WORLD BELATEDLY WAKES UP TO THE THREATS OF COMMUNIST PENETRATION AND INTERNATIONAL TERRORISM. IN LIGHT OF THESE TWO ARGUMENTS, THE OUTCOME OF THE NEWSOM VISIT WAS VARIOUSLY SEEN BY JOURNALISTS AND OBSERVERS NOT PRIVY TO WHAT ACTUALLY PASSED BETWEEN NEWSOM AND OFFICIAL ARGENTINES WITH WHOM HE TALKED AS BEING A) "FRANKLY NEGATIVE", B) A DEMONOSTRATION OF IMPROVING RELATIONS, OR C) POLITICALLY NAIVE, VIDELA MUST WEIGHT THIS MOOD AS HE PLANS HIS NEXT STEPS

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: FRANK TUMMINIA
DATE/CASE ID: 27 JAN 2003 200002456

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IN RELATIONS WITH THE U.S. END SUMMARY.

1. THE NEWSOM VISIT WAS FOLLOWED QUICKLY BY TWO OF THE STRONGEST PUBLIC DELCARATION AGAINST WESTERN (READ PRINCIPALLY US) TREATMENT OF ARGENTINA YET MADE BY TOP RANKING MILITARY OFFICIALS. ON MAY 26 AIR FORCE COMMANDER-IN-CHIEF AGOSTI BLASTED ARGENTINA'S "NATURAL ALLIES" FOR ABANDONING ARGENTINA AND TREATING "THIS PART OF THE WORLD AS A NEGOTIABLE COMMODITY". ON MAY 28 THE HARDLINER BUENOS AIRES GOVERNOR GENERAL ST. JEAN STRONGLY ATTACKED THE CARTER HUMAN RIGHTS POLICY AND CHARGED THE WESTERN NATIONS WITH WAKING UP TOO LATE TO THE DANGERS OF INTERNATIONAL TERRORISM.

2. FOR THE LACK OF CLEARLY VISIBLE OR ANNOUNCED RESULTS OF THE NEWSOM TRIP, SOME OF THE PRESS TENDED TO INTERPRET AGOSTI'S FULMINATIONS AS EXPRESSING THE "OFFICIAL FRAME OF MIND 24 HOURS AFTER NEWSOM LEFT THE COUNTRY." PERSONAL CRITICISM OF NEWSOM WAS MINIMAL, AS THOUGH NEWSOM HIMSELF REMAINED AN UNKNOWN QUANTITY WHO HAD NOT YET BEEN SATISFACTORILY CATE-GORIZED WITH EITHER THE "SOFT" OR "HARD-LINERS" THAT ARGENTINES PERCEIVE AS BATTLING OVER US HUMAN RIGHTS POLICY IN THE STATE DEPARTMENT. NEVERTHELESS, SEVERAL PUBLICA-TIONS TOOK UMBRAGE AT WHAT THEY DESCRIBED WAS NEWSOM'S DEPARTURE STATEMENT MESSAGE THAT THE ARGENTINE GOVERNMENT STILL HAS A WAY TO GO BEFORE THE US CAN CONSIDER IMPROVING
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RELATIONS. CHARGES PERSIST THAT THE USG WAS MEDDLING IN INTERNAL ARGENTINE AFFAIRS, NOT

RESPONDING TO POSITIVE STEPS ALREADY TAKEN BY GOA, AND USING ARGENTINA AS AN IDEOLOGICAL BATTLEGROUND BETWEEN OPPOSING FORCES IN THE US GOVERNMENT.

3. PRIVATELY, SOME ARGENTINE MILITARY AND FOREIGN MINISTRY OFFICIALS, WHO WERE NOT TOLD EXACTLY WHAT WAS SAID IN MR. NEWSOM'S PRIVATE CONVERSATIONS, EXPRESSED BOTH DISAPPOINTMENT AND OCCASIONAL BITTERNESS AT THE NEWSOM MISSION. MILITARY OFFICIALS AGAIN RAILED AGAINST THE USG'S FAILING TO TAKE INTO ACCOUNT THE SEVERE TERRORIST AND INTERNATIONAL COMMUNIST THREAT. MIDDLE-LEVEL FOREIGN MINISTRY OFFICIALS ECHOED AJA ESPIL'S COMPLAINT THAT THE US REFUSES TO ACKNOWLEDGE ARGENTINA'S PROGRESS, AND DECLARED THAT ARGENTINA SIMPLY CANNOT BE PUSHED AROUND ANY MORE. OTHERS WERE SIMPLY DISAPPOINTED THAT THE HIGH-LEVEL MISSION SEEMINGLY PRODUCED SO LITTLE IN THE WAY OF VISIBLE RESULTS.

4. IN SUM, VIEWED FROM THE OUTSIDE, LITTLE PROGRESS OR PURPOSE WAS APPARENT. A EUROPEAN DIPLOMAT, COMMENTING ON THE UNFAVORABLE PRESS COMMENTARY AFTER THE VISIT, ASKED WHY THE USG KEEPS SENDING HIGH-LEVEL MISSIONS WITH NO VISIBLE NEW APPROACHES FOR IMPROVING RELATIONS, "JUST TO RUB THE ARGENTINES' NOSES IN IT". ON THE OTHER HAND, SOME OBSERVERS COMMENTED, AS DID AMBASSADOR AJA ESPIL IN A LATIN NEWS SERVICE INTERVIEW PUBLISHED JUNE 2, THAT HIGH LEVEL VISITS DEMONSTRATE BILATERAL RELATIONS ARE IMPROVING.

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5. THE BUSINESS COMMUNITY REACTED TO THE MISSION AS "JUST ANOTHER VISIT" WHICH WAS FOREORDAINED NOT TO PRODUCE RESULTS. ITS MEMBERS GENERALLY OBSERVE THAT ARGENTINA IS NOT ABOUT TO CHANGE WHAT IT BELIEVES HAS BEEN A SUCCESSFUL CAMPAIGN TO ERADICATE LEFTIST SUBVERSION, REGARDLESS OF WASHINGTON'S EXHORTATIONS. OBSERVERS HERE ALSO

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C O N F I D E N T I A L SECTION 2 OF 3 BUENOS AIRES 4298

CONCEDE THAT ARGENTINA CAN DO WITHOUT US MILITARY ASSISTANCE AND EXIM BANK FINANCING, THE LACK OF WHICH, THEY SAY, BASICALLY HURTS US BUSINESS MORE THAN IT DOES ARGENTINA. ARGENTINA'S FOREIGN RESERVES ARE SUBSTANTIAL AND OTHER FOREIGN SOURCES OF GOODS AND FUNDS ARE READILY AVAILABLE. IN FACT, NEW RESTRICTIONS HAVE BEEN ESTABLISHED TO REDUCE FOREIGN CAPITAL INFLOW. OBSERVING THAT LATIN AMERICAN GOVERNMENTS ARE ALL TOO SUSCEPTIBLE TO PILING UP MASSIVE DEBTS, BUENOS AIRES HERALD COLUMNIST NEILSON WROTE ON MAY 28 THAT "ANYONE WHO MAKES IT HARDER FOR GOA TO GET FOREIGN CREDITS DESERVES TO BE DECORATED WITH THE ORDEN DE MAYO." A CHRONISTA COMMERCIAL COLUMNIST DECLARED MAY 29 THAT ARGENTINA'S SECURE INTERNATIONAL FINANCIAL POSITION SHOULD BE USED FOR ITS DIPLOMATIC VALUE. ARGENTINA NEEDS NO MORE CREDITS NOR DOES IT HAVE TO ACCEPT "POLITICAL TUTELAGE" TO OBTAIN RESULTS, HE CLAIMED.

6. AMBASSADOR AJA ESPIL, IN THE JUNE 2 LATIN INTERVIEW, REITERATED THAT "US ECONOMIC

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PRESSURE TO INFLUENCE THE HUMAN RIGHTS SITUATION IN ARGENTINA CAN ONLY PRODUCE A NEGATIVE REACTION. SUCH PRESSURE DOES NOT ONLY HURT ARGENTINA BUT US BUSINESS AS WELL." HE ALSO WARNED THAT IF THE PRESSURE CONTINUES, ARGENTINA WILL BE OBLIGED TO REDUCE ITS COMMERCIAL RELATIONS WITH THE US AND SEEK TO TRADE ELSEWHERE.

7. WHAT REALLY APPEARS TO BE AT STAKE, GIVEN ARGENTINA'S ENERGETIC RESPONSE TO ECONOMIC PRESSURE, IS NOT SO MUCH MOTIVATED BY FINANCIAL EXIGENCIES AS BY ARGENTINA'S DESIRE FOR INTERNATIONAL ACCEPTANCE. STRONGLY DESIROUS OF RESTORING ITS POLITICAL PRESTIGE AND ECONOMIC IMPORTANCE IN THE WORLD, GOA IS SERIOUSLY CONCERNED NOT TO BECOME--OR CONTINUE AS-- THE NEXT "CHILE" IN INTERNATIONAL EYES. NEGATIVE US VOTES AND PUBLIC STATEMENTS OF CASTIGATION AGAINST ARGENTINA IN INTERNATIONAL FINANCIAL FORA ARE A STRONG BLOW TO ARGENTINE PRIDE AND SELF-IMAGE. ARGENTINE OFFIAL BELIEF THAT THE COUNTRY IS A KIND OF BATTLEGROUND ON WHICH WAS FOUGHT A MAJOR WAR AGAINST TERRORISM AND MARXISM--IN DEFENSE, BY EXTENSION, OF WESTERN EUROPE AND THE U.S.--JUXTAPOSES MADDENINGLY AGAINST PERCEIVED EUROPEAN AND U.S. LACK OF UNDERSTANDING, EVEN HOSTILITY.

8. THE THEMES OF COMMUNIST PENETRATION AND THE INTERNATIONAL TERRORIST CONSPIRACY HAVE ACQUIRED A NEW INTENSITY OF LATE. COINCIDING WITH THE NEWSOM VISIT, GOA HAS BEGUN TO EXCORIATE THE U.S. AND WESTERN EUROPE FOR THEIR TREATMENT
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OF ARGENTINA AND WEAKNESS IN THE FACE OF COMMUNIST AND INTERNATIONAL TERRORISM ADVANCES. TAKING ADVANTAGE OF WHAT THEY SEE AS A STRONG BACKLASH AGAINST TERRORIST ACTIVITIES IN EUROPE, GOA IS STRONGLY EMPHASIZING THE THEME OF THE INTERNATIONAL LINKS OF TERRORIST ORGANIZATIONS.

INTERIOR MINISTER HARGUINDEGUY IS REPORTED AS PROVIDING DETAILED INFORMATION ON THE INTER-NATIONALIZATION OF GUERRILLA WARFARE AND HAVING DETAILED EVIDENCE LINKING THE MONTONEROS AND ERP TO THE FOURTH INTERNATIONAL, PLO, JAPANESE RED ARMY AND THE RED BRIGADE. IN ITS PUBLIC STATEMENTS, GOA HAS SOUGHT TO ASSOCIATE ITESELF IN SOLIDARITY WITH ITALY BY COMPARING THE ALDO MORO MURDER WITH THAT OF ARGENTINE GENERAL ARAMBURU, WHO WAS KIDNAPPED AND KILLED BY TERRORISTS IN 1971.

9. RECENT CUBAN-SOVIET EEXPANSION IN AFRICA, WHERE ARGENTINA FEELS IT HAS SPECIAL DEFENSIVE INTERESTS AS A CO-DEFENDER OF THE SOUTHERN ATLANTIC, HAS ASSUMED LOCAL IMPORTANCE AS AN EXAMPLE OF WESTERN WEAKNESS. MARXISTS, DECLARED AGOSTI IN HIS MAY 26 SPEECH, USE MERCENARIES TO ATTACK OTHER COUNTRIES. IN THE SOUTHERN CONE OF SOUTH AMERICA, THE "ARMED FORCES WIPED OUT A MARXIST BRIDGE HEAD WITHOUT ANYBODY'S HELP OR ADVICE". AT A RECENT EMBASSY FUNCTION, A FORN MIN OFFICIAL DECLARED THAT "IT IS INCONCEIVABLE THAT THE U.S. IS BLIND TO POLITICAL-STRATEGIC OBJECTIVES IN THE NEXT TWO TO FIVE YEARS. WHAT DOES THE U.S. WANT, A STRONG, ALLIED ARGENTINA OR A LEFTIST, ANARCHIST STATE LIKE ITALY RESPONSIBLE FOR DEFENDING THE SOUTHERN ATLANTIC?" THE GROWING PREOCCUPATION WITH COMMUNIST PENETRATION
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IN WESTERN EUROPE HAS REPORTEDLY CAUSED SOME MILITARY SECTORS TO RETHINK PLANS FOR SHIFTING MAJOR EQUIPMENT PURCHASES TO EUROPE, WHICH IS CONSIDERED FAR MORE VULNERABLE THAN THE U.S. (PRESS REPORTS, HOWEVER, RECENTLY SPECULATED THE ARGENTINE NAVY WOULD SPEND UP TO $600 MILLION FOR MILITARY HARDWARE IN EUROPE.) AT THE VERY LEAST, THE ISSUE HAS PROVIDED THE ARGENTINE MILITARY WITH A MAJOR ARGUMENT FOR DEFENDING ITS EFFORTS TO WIPE OUT LEFTIST SUBVERSION AT HOME.

10. A LATENT SENSE EXISTS THAT RECENT SET-BACKS
IN US-SOVIET RELATIONS--DETENTE, ARMS ACCORDS,

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C O N F I D E N T I A L SECTION 03 OF 03 BUENOS AIRES 04298

AFRICAN ADVENTURISM, HUMAN RIGHTS--WILL FORCE
THE U.S. TO MODIFY ITS OWN POLICY TOWARDS THE
COMMUNISTS. AND, AS A SUBSTANTIAL SECTOR OF
THE ARGENTINE GOVERNMENT PERSISTS IN BELIEVING
THAT THE HUMAN RIGHTS ISSUE WAS TO BE THE US'S
MAJOR NEW ARM AGAINST THE SOVIETS, ONE THAT
ERRONEOUSLY SPILLED OVER INTO OTHER FRIENDLY
AREAS OF THE WESTERN WORLD, A NUMBER OF
OFFICIALS CONSOLE THEMSELVES THAT THE HUMAN
RIGHTS POLICY MAY ALSO HAVE TO UNDERGO MODIFI-
CATION. IT IS HERE THAT THE ARGENTINES APPEAR
TO BE RESIGNED TO "RIDING OUT" A PERIOD OF
BAD RELATIONS WITH THE U.S., UNTIL SUCH TIME
AS THE U.S. AND WESTERN EUROPE COME TO GRIPS
WITH WHAT ARGENTINA SEES AS DANGEROUS ENCROACHMENT
IN EUROPE AND ELSEWHERE. THE LIKELIHOOD
IS THAT BY THAT TIME--TWO TO THREE YEARS
HENCE, IF NOT BEFORE, BARRING MAJOR REVERSALS--
ARGENTINA WILL ALSO HAVE "PUT ITS HOUSE IN ORDER-
AS IT CLAIMS TO BE DOING--AND IN FACT IS
SHOWING SIGNS OF DOING.

11. THIS ANALYSIS IS, IT SHOULD BE CLEAR, BASED

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ON MEDIA REPORTS AND STATEMENTS MADE TO MISSION OFFICERS BY HIGH AND MID-LEVEL OFFICIALS WHO WERE NOT DIRECTLY CONCERNED WITH THE NEWSOM MISSION OR PRIVY TO HIS DISCUSSIONS WITH PRESIDENT VIDELA. NEVERTHELESS, IT IS AGAINST THIS MOOD, BACKGROUND OF EVENTS AND OUTPOURINGS OF OPINION THAT PRESIDENT VIDELA WILL HAVE TO WORK OUT HIS MOVES AS HE SEEKS TO MAKE THE MOST OF UNDER SECRETARY NEWSOM'S VISIT FOR BETTER RELATIONS WITH THE U.S.
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